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## CENTRAL INTELLIGENCE AGENCY

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SECURITY INFORMATION

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INFORMATION REPORT  
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REPORT

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COUNTRY Hungary

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DATE DISTR. 23 July 1952

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Construction Trusts.

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PLACE  
ACQUIREDSUPPLEMENT  
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THIS IS UNEVALUATED INFORMATION

1. The smelter and Martin furnaces recently constructed at Diósgyőr were derived from standard Russian plans delivered from the USSR. They were first sent to an institute in Budapest for translation and detailing. This institute is called the Koho Ipari Tervező Intézet (Furnace Industry Planning Institute).
2. The general budget for the expansion of the steel plant at Diósgyőr was drawn up by the Hungarian Ministry of Heavy Industry. The budget of the Borosodvidéki Mélyépitő construction trust was probably also initially blocked out by the Ministry of Heavy Industry, but the more detailed breakdown and the final approval were executed by the Ministry of Transport. The budget of the construction is not particularly rigid: when good cause can be shown for an expenditure outside the quota, such an outlay is seldom disallowed.
3. A number of [ ] electricians were employed in the installation of the electrical components of the various new units constructed at the Mavag plant. These [ ] were not trained engineers but were more in the skilled technician class. They were housed at the so-called Gasthotel at Diósgyőr, which was built in 1940 for the accomodation of visiting Mavag officials. [ ] received better rations than most of the higher-ranking plant and construction trust officials at Diósgyőr.
4. Approximately 40 per cent of the workers employed in the operation and expansion of the steel plant at Diósgyőr are under 20 years of age. These are mostly in the apprentice category. Some 5 per cent of the workers are women. This does not include clerical personnel, of whom a larger percentage is female.

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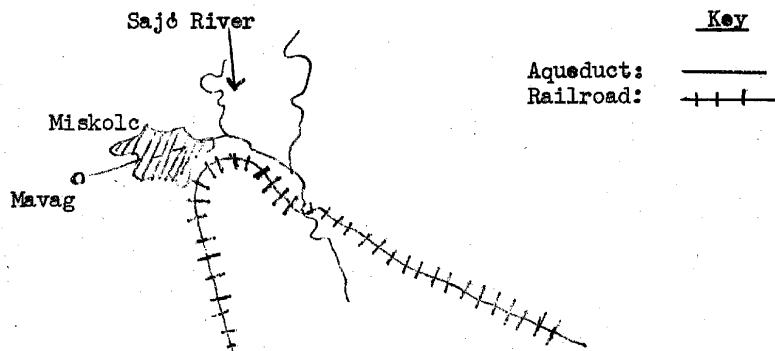
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-2-

5. No large increase of the working force at the Mavag plant is expected after the expansion program has been completed. The program is, strictly speaking, more of a modernization effort than an actual expansion. The efficient new installations will employ relatively few hands. It should be added that in view of the critical labor shortage, not many more workers could be procured even if they were needed. The current Mavag complement numbers approximately 30,000. An increase of more than three or four thousand is not anticipated.
6. As far as is known, little difficulty has been experienced in the procurement of construction materials for the expansion of the Mavag plant. Deliveries are made quite soon after orders have been placed.
7. Steel consumed by the Mavag furnaces consists to a large extent of scrap from Hungarian sources. Most of the actual ore for the furnaces arrives at Diósgyőr over the railroad line which crosses the Czecho-Hungarian frontier at Sátoraljaujhely, some 50 miles to the northeast.
8. The new aqueduct and waterworks leading from the Sajó River to the Mavag steel plant taps the river at the point indicated on the sketch below and passes under the city of Miskolc to reach the Diósgyőr works. On the G.S.G.S. 4346 series map (Košice sheet R 49) the point where the aqueduct taps the river would be located at coordinate J 9278.



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